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BOOK REVIEWS

MARIA CRISTINA MARCUZZO, LUIGI L. PASINETTI and ALESSANDRO RONCAGLIA (eds) *The Economics of Joan Robinson*, London and New York, Routledge, 1996, pp. x + 370.

Joan Robinson's life ended in pessimism. Geoffrey Harcourt notes that she became 'almost nihilistic about economic theory, method and their potential development. She rejected the idea of providing a rival "complete theory" to replace the orthodox neoclassical one. . . . She said that any "other complete theory would be only another box of tricks. What we need is a different habit of mind—to eschew fudging, to respect facts and to admit ignorance of what we do not know"' (pp. 288–9). And Andrea Salanti adds that 'the premises to her gloomy 1979 conclusions on economic method were already present in her previous observations on the inapplicability of falsificationism in economics' (p. 289).

However, from the contributions to the present volume it emerges that Joan Robinson's pessimism was not justified at all. There is, first, the wide range of her work and the importance of the topics she dealt with. Maria Cristina Marcuzzo, Marco Dardi and Nicolò de Vecchi write about the heritage of Marshall embodied in her writings. The Keynesian tradition and its elaboration by Joan Robinson is dealt with by Jan Kregel, Pierangelo Garegnani, Massimo Pivetti, Giangiacomo Nardozzi and Annamaria Simonazzi. Part III—'Following Marx, Kalecki and Sraffa'—contains contributions by Marco Lippi, Fernando Vianello and Giorgio Gilibert. Part IV on 'Growth, Development and Dynamics' (Siro Lombardini, Salvatore Biasco, Roberto Scazzieri, Paolo Varri, Pierluigi Ciocca and Amit Bhaduri) and Part V, 'Capital Theory and Technical Progress' (Luigi Pasinetti, Stefano Zamagni, Jack Birner, Neri Salvadori, Ferdinando Meacci and Bruno Jossa) form the central parts of the volume. Finally, Andrea Salanti, Bertram Schefold and Geoffrey Harcourt take issue with methodological aspects of Joan Robinson's work. The bibliography of her writings by Maria Cristina Marcuzzo comprises 443 items and gives an impressive picture of a lifetime's work. The level of contributions is uniformly high; the volume thus pays a fine tribute to Joan Robinson who emerges as one of the very great political economists of this century.

A second reason Joan Robinson had not to be pessimistic about her own work is provided by the host of highly interesting problems in political economy dealt with in the present volume. For example, Nicolò de Vecchi takes another look at Joan Robinson by considering Schumpeter's very favourable, but not uncritical review of her 'Economics of Imperfect Competition'. Marco Lippi attempts to 'justify [his] preference for Joan Robinson as an interpreter of Marx, as compared first with Marxian orthodoxy, secondly with sophisticated orthodoxy . . . , and finally with neo-Ricardian interpretations' (p. 101). Her contribution to economic development is dealt with by Siro Lombardini. In his paper, Roberto Scazzieri 'aims at providing an assessment of Joan Robinson's contributions to the theory of an expanding economy, by especially considering whether her [views] on growth, development and capital accumulation might not suggest a definite conceptual approach to the analysis of structural economic dynamics' (p. 174). Paolo Varri explains why Joan Robinson 'increasingly acknowledged her intellectual debt to Harrod for his fundamental concepts of dynamic analysis [but nevertheless did not agree with Harrod on this subject]' (p. 189). To Luigi Pasinetti, the 'attitude of Joan Robinson to "reswitching" remains an intriguing and incomplete puzzle' (p. 214). Stefano Zamagni, however, argues that for her 'reswitching is unimportant because the neoclassical model is irrelevant in analysing the evolution of a capitalist economy; [in her own words] "there is no such phenomenon in real life as accumulation taking place in a given state of knowledge"' (p. 221).

In addition to fundamental issues of content in political economy, Joan Robinson also dealt extensively with problems of method. Two problems stand out. First, the issue of ideology and science: '. . . a large number of passing remarks on methodological questions . . . clearly show that she was mainly interested in the problem of the widespread influence of ideology on economics, as if her main concern were about the possibility of separating, within the different traditions of economic thought, what can be rationally argued from what should be more properly considered as ideological padding' (p. 288). Andrea Salanti very appropriately deals with Joan Robinson's view on this issue. A second methodological problem—the relationship between 'equilibrium and history'—is of particular importance to Joan Robinson. In a profound contribution, Bertram Schefold puts this issue in a wider context. In a way, 'equilibrium versus history' represents the thread running through the contributions of the present volume. This particularly emerges from the paper by Kregel who uses the Robinsonian notions of 'equilibrium' and 'history' (or processes) 'as an interpretative key to her criticism of the development of modern economics of both a post-Keynesian and post-neoclassical nature, (the "prodigal sons" and "the bastard progeny" to which the Keynesian revolution has given rise)' (p. 54). He goes on to argue that the issue of 'equilibrium versus history' 'led to tension with two groups of economists who might be considered legitimate offspring. . . . One, with the aid of Sraffa's reconstruction of classical theory, returned to the study of the explanation of growth and distribution in Smith, Ricardo and Marx. The other went back to recover the monetary elements of Keynes' theory that had been cast to one side in the analysis of long-period growth' (p. 64). The Sraffians 'chose equilibrium in the form of steady states or centres of gravitation . . . , [the American post-Keynesians] argued that the analysis should be limited to the analysis of short-period equilibrium states.' And, Kregel concludes, 'although there is no question that both of these approaches are legitimate extensions of Keynes' work, they were nonetheless considered to have shown insufficient respect for the wisdom of the elders in indicating that analysis should go beyond equilibrium, whether short or long period' (p. 65), to deal with historical processes.

In this context, it is not without interest to note that Marx and Keynes, both philosophically trained, had no difficulty in linking theory and history. For example, in the *General Theory*, Keynes emphasises the distinction 'between the logical theory of the multiplier, which holds good continuously, without time-lag, at all moments of time, and the consequences of an expansion in the capital goods industries which take gradual effect, subject to time-lags and only after an interval' (p. 122). Or, the *Treatise on Money* is made up of the *Pure Theory of Money*, which exhibits timeless (and probable) principles, and the *Applied Theory of Money*, dealing with the realisations of principles in historical time. The philosophical distinction between invariable principles (reflecting fundamental causes) and their changeable realisation in historical time is crucial for coming to grips with the relationship between theory and history. Joan Robinson was not fully aware of this issue, in contrast to Keynes who makes some highly important remarks on this in the preface to the German edition of the *General Theory*. She wanted to face historical reality directly and did not sufficiently appreciate the importance of the role of pure theory for the interpretation of historical facts. The result was pessimism and scepticism about theory which, incidentally, also befell some members of the German historical school. However, Joan Robinson clearly perceived that certain types of theory, most importantly neoclassical equilibrium theory, could definitely not be linked with real world phenomena set in historical time, because 'this theory does not correspond to any real world case' (Keynes). Yet, even at the end of her life, Joan Robinson had spells of optimism regarding non-orthodox theory: 'We now have a general framework of long- and short-period analysis which will enable us to bring the insights of [Ricardo], Marx, Keynes and Kalecki into coherent form and to apply them to the contemporary scene, but there is still a long way to go' (Keynes and Ricardo, *Journal of Post-Keynesian Economics*, vol. 1, 1979, p. 18). From the present volume it emerges that Joan Robinson contributed greatly to preparing the way and covered a good deal of it; or, in Geoff Harcourt's words, she 'has set out for us a vital post-Keynesian agenda—and an approach with which to implement it' (p. 327). For this immense achievement Joan Robinson deserves the profound gratitude of all non-orthodox political economists.

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TONY LAWSON, *Economics and Reality*, London, Routledge, 1997, pp. xx + 364.

A perspective developed under the heading of *critical realism* is currently gaining some ground within the economics discipline and Tony Lawson's *Economics and Reality* constitutes the most developed elaboration of it to date. The theme which permeates